

Decision \_\_\_\_\_

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Integrate  
and Refine Procurement Policies and  
Consider Long-Term Procurement Plans.

Rulemaking 13-12-010  
(Filed December 19, 2013)

**DECISION GRANTING PETITION TO MODIFY  
2014 BUNDLED PROCUREMENT PLAN  
DECISION 15-10-031**

**Summary**

This decision grants in full a petition to modify Decision (D.) 15-10-031 filed October 30, 2015 by Pacific Gas and Electric Company (PG&E) to correct inadvertent inconsistencies that were introduced during revisions to the proposed decision in response to parties' comments. This decision does two main things: 1) conforms findings and conclusions to the revised text of D.15-10-031 adopting PG&E's Alternative Scenario forecasts of departing load due to community choice aggregation, direct access, and distributed generation; and 2) corrects typographical errors to clarify that transactions greater than three months in length require consultation and review in advance with procurement review groups, with certain exceptions.

**1. Procedural History**

Decision (D.) 15-10-031 was issued on October 22, 2015, after the proposed decision was revised in response to party comments in the normal course. On October 30, 2015, PG&E filed a petition to modify D.15-10-031 due to

inconsistencies between the text and the findings of fact, conclusions of law, and ordering paragraphs that were introduced when revisions were made in response to comments on the proposed decision.

On November 19, 2015, Marin Clean Energy filed a response to PG&E's petition to modify, basically not objecting to PG&E's suggested changes, provided that the decision is clarified to state that the load forecasts related to community choice aggregation, direct access, and distributed generation are based on PG&E's Alternative Scenario as described in its comments on the proposed decision, and not based on PG&E's original forecasts.

On November 30, 2015, L. Jan Reid filed a response to PG&E's petition to modify, stating that the Commission should reject the petition. Reid's reasoning is that if the changes PG&E was seeking were caused purely by typographical or inadvertent errors, they should be sought via a decision from the Executive Director, and not a petition to modify. While this may be generally correct, the clarifications required are sufficiently complex that we have elected to issue this decision to avoid any further confusion.

## **2. PG&E Departing Load Calculations**

The original proposed decision issued September 22, 2015 for comment adopted PG&E's proposed changes to its Community Choice Aggregation (CCA) forecast in the Trajectory Scenario, but rejected modifications to the direct access (DA) and distributed generation (DG) forecasts. PG&E, in its comments on the proposed decision, requested that the Commission adopt either its original forecasts for CCA, DA, and DG, or the Alternative Scenario described in its comments on the proposed decision.

D.15-10-031 includes text that states: "Therefore, PG&E's alternative scenario revisions to reflect forecasted load due to CCAs, DAs, and DG are

adopted.”<sup>1</sup> However, Finding of Fact 9 and Conclusion of Law 9, as well as Ordering Paragraph 1 (e), retained the original text, and should be modified to reflect the above conclusion in the text, which responded to PG&E’s comments on the proposed decision.

Therefore, D.15-10-031 should be modified such that the findings, conclusions, and ordering paragraphs now read as follows:

**Finding of Fact 9:**

9. PG&E’s calculation of departing load due to CCA, DA, and distributed generation in its Alternative Scenario is more accurate than the trajectory scenario.

**Conclusion of Law 9.**

9. PG&E’s Alternative Scenario revisions to reflect departing load due to CCAs, DA, and distributed generation are reasonable and should be adopted.

**Ordering Paragraph 1(e).**

1. (e) PG&E shall revise its forecasts for departing load in the Commission’s trajectory scenario to reflect PG&E’s Alternative Scenario for Community Choice Aggregation, Direct Access, and distributed generation.

**3. Procurement Review Group Consultation for Transactions Greater than Three Months in Duration**

Pages 23 and 24 of D.15-10-031 include discussion of transactions greater than three months in duration on which the utilities will consult with their procurement review groups (PRGs). This requirement was already in place from D.04-12-048, Ordering Paragraph 15, which states, in part, that “utilities will consult with their PRGs for transactions with delivery periods of greater than three calendar months, or one quarter.” D.15-10-031 reiterates this requirement,

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<sup>1</sup> D.15-10-031 at 15.

but misstates it in a sentence on page 24 that reads, “There is a category of transactions of three months or greater in length where consultation with the PRG would not be possible because decisions need to be made in seconds, minutes, or hours.”

This sentence should be revised to state, “There is a category of transactions greater than 3 months in length where consultation with the PRG may not be possible because decisions need to be made in seconds, minutes, or hours.”

In addition, the subsequent sentence on Page 24 of D.15-10-031 also slightly mischaracterizes the role of the PRGs, as pointed out by PG&E in its petition to modify D.15-10-031, implying that PRGs “approve” transactions when in fact they discuss and review only, and do not have an approval role. The sentence in D.15-10-031 previously read: “For those transactions, which (1) cannot wait for PRG consultation, (2) are in keeping with a strategy already approved in PRG review, and (3) which involve transparent exchanges, brokers, or electronic solicitations, consultations prior to the transaction will not be required.”

That sentence should be revised to read:

“For those transactions which (1) cannot wait for PRG consultation, (2) are in keeping with a strategy already discussed with and reviewed by the PRG, and (3) which involve transparent exchanges, brokers, or electronic solicitations, consultation prior to the transaction will not be required.”

Finally, Ordering Paragraph 1(h) should be conformed to be consistent with this revised text as follows:

**Ordering Paragraph 1(h).**

1.(h) All utility proposals to execute transactions greater than three months must undergo PRG review in advance, excepting those transactions which (1) cannot wait for PRG consultation, (2) are in keeping with a strategy or plan already discussed with and reviewed by the PRG, and (3) which involve transparent exchanges, brokers, or electronic solicitations. Notification of such transactions would occur at the following quarterly PRG meeting. Aside from transactions fitting these criteria, PG&E's proposal to execute transactions greater than three months without PRG review is denied.

#### **4. Comments on the Proposed Decision**

This is an uncontested matter in which the decision grants the relief requested. Therefore, the otherwise applicable 30-day period for public review and comment is waived pursuant to § 311(g)(2).

#### **5. Assignment of Proceeding**

Michael Picker is the assigned Commissioner and Julie A. Fitch is the assigned ALJ and presiding officer in this proceeding.

#### **Findings of Fact**

1. Inconsistencies were introduced in D.15-10-031 during revisions made to the proposed decision in response to comments from parties, such that the final decision's findings, conclusions, and ordering paragraphs, in some instances, did not conform with the text revisions.

2. PG&E's Alternative Scenario forecasts of departing load due to community choice aggregation, direct access, and distributed generation, are more accurate than other scenarios.

3. According to the text of D.15-10-031, as well as a prior decision D.04-12-048, utilities are required to consult with their procurement review

groups in advance for transactions greater than three months in duration, except in certain delineated exceptional circumstances.

### **Conclusions of Law**

1. D.15-10-031 should be modified in accordance with PG&E's petition to modify filed October 30, 2015.
2. No party disagrees that D.15-10-031 should be corrected to remove inconsistencies.
3. PG&E's Alternative Scenario forecasts of departing load due to community choice aggregation, direct access, and distributed generation, should be utilized.
4. Utilities should continue to be required to consult with their procurement review groups in advance for transactions greater than three months in duration, except in certain delineated exceptional circumstances.

## **ORDER**

### **IT IS ORDERED** that:

1. Pacific Gas and Electric Company's (U 39 E) Petition to Modify Inadvertent Errors in Decision 15-10-031, filed on October 30, 2015, is granted.
2. Decision 15-10-031 is modified as follows:
  - a. Finding of Fact Number 9 is revised to read as follows: "9. Pacific Gas and Electric Company's (PG&E) calculation of departing load due to Community Choice Aggregation (CCA), Direct Access (DA), and distributed generation in its Alternative Scenario is more accurate than the trajectory scenario."
  - b. Conclusion of Law Number 9 is revised to read as follows: "9. PG&E's Alternative Scenario revisions to reflect departing load due to CCAs, DA, and distributed generation are reasonable and should be adopted."

- c. The third and fourth sentences of the first paragraph on page 24 are deleted and replaced with the following text:  
“There is a category of transactions greater than three months in length where consultation with the Procurement Review Group (PRG) may not be possible because decisions need to be made in seconds, minutes, or hours. For those transactions which (1) cannot wait for PRG consultation, (2) are in keeping with a strategy already discussed with and reviewed by the PRG, and (3) which involve transparent exchanges, brokers, or electronic solicitations, consultation prior to the transaction will not be required.”
- d. Ordering Paragraph 1 (e) is revised to read as follows:  
“1 (e). PG&E shall revise its forecasts for departing load in the Commission’s trajectory scenario to reflect PG&E’s Alternative Scenario for Community Choice Aggregation, Direct Access, and distributed generation.”
- e. Ordering Paragraph 1(h) is deleted and replaced with the following text: “1 (h). All utility proposals to execute transactions greater than three months must undergo Procurement Review Group (PRG) review in advance, excepting those transactions which (1) cannot wait for PRG consultation, (2) are in keeping with a strategy or plan already discussed with and reviewed by the PRG, and (3) which involve transparent exchanges, brokers, or electronic solicitations.”

Dated \_\_\_\_\_, 2016, at San Francisco, California.